

Origin Enterprises plc reaches agreement to acquire Masstock Group Holdings Limited

Origin Enterprises plc ('Origin') announces that it has reached agreement to acquire Masstock Group Holdings Limited ('Masstock').

Masstock, with operations in the United Kingdom and Poland, is the leading provider of specialist agronomy services directly to arable and grassland farm enterprises. Masstock, which has been synonymous with the development of state-of-the-art farming systems throughout the world, was established in the 1970's through the vision of two leading Irish entrepreneurs Paddy and Alistair McGuckian.

The initial consideration for the equity share capital of Masstock will be Stg£26.3m. Deferred consideration of up to Stg£10m will be payable based on the achievement of profit targets over the period to July 2012. Masstock generated a turnover of Stg£250.6m for the year ending 30 June 2007 and operating profit before non-recurring items and goodwill amortisation amounted to Stg£6.8m. Masstock had net tangible assets of Stg£23.6m at 30 June 2007 and net debt of Stg£30.6m.

The acquisition is being funded by additional bank facilities. It is expected that the acquisition will be earnings enhancing for Origin from the date of completion which is expected in early February 2008.

The existing management team led by Declan Giblin as Group CEO, David Cribbin as Managing Director for the UK business and Graham Harris as Managing Director of the Polish business, who have been responsible for the development of Masstock over the past twenty years will be remaining with the Group.

Commenting on the acquisition, Tom O'Mahony, Chief Executive of Origin said: "Masstock provides system-based solutions directly to over 10,000 farm businesses throughout the United Kingdom and Poland. This leading approach delivers a fully integrated production system, based on a superior research and on-farm agronomy management. The business combines an extensive arable research and development capability with a major sales, marketing and distribution focus, delivering a superior advisory and inputs offering to leading growers. The service encompasses varietal selection, nutrition, crop protection and application techniques necessary to ensure high performing marketable crops, which adhere to the highest levels of safety, quality, sustainability and environmental requirements."

